

**PHA DELEGATES COMMITTEE MEETING
MARCH 14, 2006
MINUTES**

Attendance

| | |
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| Isabel Maisonet | Harbourside |
| Julio Bagué | Casillas de Palmas |
| Matthias Erismann | Fairway Courts |
| José Colón | La Jolla |
| Gladys Fornaris | Palladio Cond. |
| Gordon MacDonald | San Miguel Island |
| Miguel Guiot | Crescent Cove |
| Agapito Cosme | Sunrise |
| Daniel Vasse | Anchors Village |
| Hector Robles | Montesol |
| Ruben Chamorro | Palmas Reales |
| Frances Olivieri | Shell Castle Club |
| Walter Fournier | Seascape |
| Miguel Santiago | Fairlakes |
| Rital Molinelli | Beach Village II |
| Reinaldo Encarnación | Palmanova Plaza |
| José Beauchamp | Harbourlights |
| Luis Lomba | Plaza Resort |
| Manuel Morales | South District |
| Ivonne Cruz | Haciendas de Palmas |

Delegates Absent/Excused

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| Manuel Lebrón | Club Villa |
| Jose Andreu | Península de San Juan |
| Rubén Rodríguez | Las Villas I |
| Antonio Corretjer | Las Villas II |
| Luis Mercado | Palmas Doradas |
| José Bacardi | San Marcos |
| Eduardo Reyes | Beach Village V |
| Felix Aviles | Fairlakes Village III |
| Marie Silvia Rivera | Maralago |
| Néctor Robles | Crescent Beach |
| Michael Shulevitz | Bahia del Sur |
| Juan Walker | Palmarina & PHA Board |

Roberto Rizzo
Ricardo Collazo
Agripino Lugo
Luis Muñiz
Jorge Claudio

Beach Village III
Beach Village I
Villa Franca
Plaza del Puerto
Palmas Plantation

Others Present

Edd Siler
Jaime Morgan
Cándido Neris
Antonio Maldonado
Joseph Maqueda
Jose Juan Martínez
Victor Nieto
Albith Colón
Lizzie Roldán
Antonio Roig

PHA Board
PDMPI President
Palmas Security and Protection Agency
PHA Executive Director
Palmas Reales
Palmanova (alternate)
Fairway Court Resident
Gate Engineering
Harbourpoint Resident
Surfside Resident

I. CALL TO ORDER

Meeting was called to order at 6:50 p.m. by Mr. Julio Bagué, Chairman. New Delegates representing Palmanova Plaza (Reynaldo Encarnación), Fairway Courts (Victor Nieto), Sunrise (Agapito Cosme), and Palladio (Lizzie Roldán) were introduced and welcomed to the PHA Delegates Committee.

II. APPROVAL OF MINUTES

Minutes of the January 17, 2006 meeting were approved upon a motion by José Colón seconded by Matthias Erismann.

III. ALTERNATE ENERGY SYSTEMS PRESENTATION

Dr. Albith Colón gave an informative presentation on alternate sources of electrical energy. Following this interesting presentation Dr. Colón answered several questions on sources of electrical energy. A copy of his presentation is included as part of these minutes.

IV. CHAIRS/EXECUTIVE DIRECTORS REPORT

A. Infrastructure Committee

No meeting was held during this period, however work continues on various committee tasks, such as:

1. **Water Well** – The water analysis was received and the report confirmed earlier findings that the water is brackish (approximately 900 ppm). A feasibility study will be conducted to determine the process cost of bringing the water within potable standards (less than 500 ppm). Also, the study will determine if it is economically feasible to proceed with the project, or if it would be cost effective to continue to purchase from PRASA.
2. **Traffic Study** – The Traffic Study to assess the impact and level of traffic flow and adequacy of road structure is already underway. Contract for the study was awarded to PLC Consulting Engineers and Planners. Report of the study can be expected in twelve (12) weeks.
3. Work also continues in assessing sanitary and storm drainage systems and obtaining an update to the Electric Study conducted by PHA two years ago.
4. Mr. Gordon MacDonald's motion regarding definition of ownership of Palmas infrastructure was addressed by the PHA Board on January 27, 2006 and referred to the Infrastructure Committee for appropriate action.

B. Forest

PHA still awaiting for a response from PDMPI regarding the matching funds required to restore the forest and its board-walk. Mr. Jaime Morgan indicated he will address this item at the PHA Executive Committee to be held on March 15, 2006.

Mr. Antonio Roig pointed out that because of its proximity to the Forest, the Catholic Church is ready to collaborate with PHA and PDMPI in establishing an adequate entrance/access to the Forest. He suggested that access to the Forest could be through the church's parking area.

C. PRASA Rates

PDMU originally focused on changing its current commercial rate to the industrial rate arguing that Palmas is part of the tourism industry. PRASA rejected PDMU request for a reclassification as an industry since hotels in Puerto Rico are under the commercial rate. PDMU has requested re-consideration of this decision based on PRASA's own definition

of what constitute an enterprise that qualifies under the industrial rate criteria.. PHA will keep you informed on the progress of the reconsideration request.

D. Country Club Road

The circle near the Country Club is finished. The circle in Palmas Drive is nearly complete. Landscaping and the reflecting pool are underway. According to Mr. Morgan, there is no final decision yet as to the structure or art piece that will go in the middle of the fountain. Such a decision requires special considerations to insure that whatever is selected is in good taste, acceptable by the community and consonant with the Palmas development theme. From decision to installation of the centerpiece may take as long as six (6) months. Nevertheless, the fountain should be fully operational with its reflecting pool well before that.

So far transit experience within the circle is good, particularly during peak hours. Traffic flow seems to move much better. Speed bumps were installed to protect golf-carts using nearby cart paths.

E. Artificial Reef

Work is proceeding at a fast pace. Five modules of the study phase are already complete, i.e.: bathymetry, offshore wave patterns, wave at shoreline, currents and movement of sand transported by water. Dr. Torruellas believes that results so far are spectacular since he has been able to explain erosion hot-spots and the behavior of currents. He expects the study and design to be ready within a month.

The Thalasia study to be made by Dr. Quintero has been delayed by weather conditions. . As soon as the sea calms down and the water clears-up, he will complete the study. This task takes about five (5) working days to complete.

F. San Miguel Bridge

Construction continues. Access to San Miguel Island is open to all traffic.

Mr. Gordon MacDonald questioned what the situation with the Academy Bridge was. As discussed at previous meetings, Mr. Morgan informed the Delegates that the Academy Bridge is a private temporary bridge that belongs to PDMPI. Maintenance and repairs are done as needed by PDMPI. The bridge is scheduled to be replaced as part of the River Drive construction project, which is part of the Master Plan to connect future developments in the Buena Vista Ward (El Morro Development) to the Center Core of Palmas. This may take another three (3 to 5) years.

G. 923 Entrance

Plans for the construction of the 923 service entrance are undergoing value engineering to reduce costs. This is a joint PDMPI/PHA project under a cost-sharing agreement

executed between the two organizations. New entrance will consist of five lanes, a new guardhouse and a new access control system.

H. Antenna Parcel

Per previous agreement reached between PDMPI and PHA, the Antenna parcel located between Crescent Cove and Crescent Beach was cleaned and is ready for laying out the golf cart parking and landscaping. PHA has received a copy of the draft Deed of Transfer for review. As soon the parties reach an agreement, the remaining work will be completed.

I. PHA Building

Construction contract was awarded to Berrios Construction. ARPE has issued the construction permit and the execution of the loan to finance the project is scheduled for Friday, March 17, 2006. The pre-construction meeting was held at the ARB. Fencing of the construction site and earth movement will commence next week.

J. Candeler Community Park

A temporary access to the park is being built by the Marbella developer. Mr. Jaime Morgan notified the Delegates that the park parcel was transferred to the Marbella Club Homeowners Association. Mr. Morgan explained that the parcel was transferred to the Marbella Club at their request but with several restrictions regarding its use. Primarily, Marbella will be responsible for maintaining the park in accordance with Marbella Club standards but its use will be for all homeowners and the public in general. There are also restrictions in terms of what kind of structures and equipment can be placed at the park. Furthermore, there will be no cost or liabilities to PHA.

The question was raised if Marbella was already constituted as a regime in accordance with the PHA Covenants and in accordance with the Horizontal Property Law. Mr. Morgan indicated that the community association already had a president. Mr. Maldonado pointed out that PHA has not given any information to PHA regarding this association.

Ms. Rita Molinelli expressed concern regarding what could happen with this parcel of land in the long term. Mr. Morgan indicated that the restrictions imposed in the Deed of Transfer were permanent and could not be changed at will by the Marbella Club Association.

Mr. Walter Fournier suggested that a small sub-committee be established to evaluate the Deed and the entire issue and render a report to the Delegates. Mr. Morgan indicated that he will send a copy of the Deed of Transfer to PHA so that this matter could be evaluated properly. Furthermore, Mr. Fournier indicated he felt it was very important to protect the access to the beach in that area. The community cannot afford to lose another beach

access as happened in other areas of Palmas where beach accesses were established in the Master Plan, but were never materialized.

K. Main Gate Upgrades

Installation of new luminaries and the new landscaping project is in progress. The new access control system upgrade is on order and should arrive for installation within the next 30 days.

L. Homeowners Week

This year homeowner's week activities fall during April 17-22, 2006. Activities include a Fashion Show and Luncheon, Tennis Tournament, Golf Tournament, a Homeowners Party at the Four Points Sheraton and a House Tour. The Annual Meeting will be held on Saturday, April 22 commencing with the Delegates registration at 8:30 am.

M. Buena Vida Festival

This annual fund raising festival is scheduled for April 8, 2006 at the Four Points Sheraton Hotel in Palmas Del Mar.

N. Recycling Programs

New efforts are being pursued to restart the recycling program in Palmas del Mar. Ms. Ivonne Cruz is working with Mr. Maldonado and the Municipality trying to get the contract renewed. PHA already has the recycling bins and for implementation its just a matter of finding a new site, securing a contract with the Municipality and restructuring the program.

O. New PHA Directors

During recent elections in PHA District Three (3) elected, Mr. Walter Fournier as the PHA Director representing that District. Also, Mr. Daniel Vasse has been elected as the new PHA Director representing the Business District. Both Directors-Elect have previously served in the PHA Board and will be seated at the Annual Meeting in April 2006.

V. SECURITY

Mr. Cándido Neris presented a detailed report outlining criminal and delinquent activity that took place in Palmas del Mar. A copy of the statistic report prepared by PHA Security was distributed to all the Delegates. No major crimes have taken place in Palmas; however, a negative trend has been observed in terms of illegal appropriations most of which are taking place in or near construction sites. Fifteen (15) illegal appropriations were reported to PHA Security during the month of February.

VI. NEW BUSINESS

Matthias Erismann informed about the international rules that are normally observed at traffic circles. He also pointed out the need to inform the community. He suggests that a pamphlet be distributed outlining directions for use of traffic circle.

Daniel Vasse observed that the last emergency water interruption directed by PDMU was done with very little warning. This action negatively affected the commercial district significantly since there was not enough time to implement preparatory measures. Mr. Vasse suggested for PDMU to reconsider the timing of these announcements to allow homeowners and commercial businesses enough time to prepare accordingly.

Also, Mr. Daniel Vasse pointed out that a green area between Sunrise and the Harbour Lakes project needs attention. It is a security and fire hazard. Access to this area is very difficult.

Mr. José Beauchamp indicated that the Delegates Committee rule requiring that topics be submitted well in advance needs to be reconsidered. Often important items surface at the last minute that may merit discussion at the Delegates meeting. Joe Maqueda concurred with Mr. Beauchamp. However, the Delegates were informed that during the Chair and Executive Directors Report related problems or items to the topics being discussed can be introduced.

VII. ADJOURN

The Delegates Committee adjourned at 9:15 pm upon a motion by Walter Fournier seconded by Manuel Morales.